UNITED COMMUNICATIONS PARTNERS INC
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Table of Contents

	Page
FINANCIAL INFORMATION	
Financial Statements.	
Condensed Consolidated Balance Sheets as of March 31, 2012 (unaudited) and December 31, 2011	2-3
Condensed Consolidated Statements of Operations for the three months ended March 31, 2012 and 2011 (unaudited)	4
Condensed Consolidated Statements of Cash Flows for the three months ended March 31, 2012 and 2011 (unaudited)	5
Notes to Unaudited Condensed Consolidated Financial Statements	6-17
Certifications	18

United Communications Partners Inc. and Subsidiaries

Condensed Consolidated Balance Sheets

(In thousands of USD)

Assets		Unaudited March 31, 2012		December 31, 2011
Current assets:				
Cash and cash equivalents	$	1,321	$	734
Accounts receivable, net		4,801		3,801
Costs and estimated earnings in excess of billings on projects in progress		1,107		1,150
Prepaid expenses and other current assets		148		376
Total current assets		7,377		6,061
Equipment, net		153		141
Equity investments		829		788
Goodwill		3,710		3,710
Other intangible assets, net		520		562
Deferred financing costs,		-		1
Total assets	$	12,590	$	11,263

The accompanying notes are an integral part of these condensed consolidated financial statements

United Communications Partners Inc. and Subsidiaries
Condensed Consolidated Balance Sheets (continued)
(In thousands of USD)

Liabilities		Unaudited March 31, 2012		December 31, 2011
Current liabilities:				
Accounts payable	$	9,748	$	7,746
Accrued expenses and other current liabilities		480		596
Billings in excess of costs and estimated earnings on projects in progress		197		83
Note payables, net of discount		327		504
Derivative liabilities		-		78
Advances from related parties		149		179
Total current liabilities		10,901		9,186
Note payables, net of current portion		28		69
Contingent consideration – Tre Kronor		2		2
Liability to redeemed stockholder		387		387
Total liabilities		11,318		9,644
Non controlling interest		23		-
Commitments and contingencies				
Stockholders' Equity				
Preferred stock $0.001 per share par value; 100,000,000 authorized; 0 issued and outstanding.		-		-
Common stock $0.001 per share par value; 2,000,000,000 shares authorized, 1,617,887,264 shares issued, and 1,610,887,264, shares outstanding at March 31, 2012; 1,526,304,772 shares; issued, and 1,519,307,772 outstanding at December 31, 2011.		1,618		1,526
Additional paid-in capital		8,792		8,838
Accumulated deficit		(8,546)		(8,177)
Treasury stock, at cost, 7,000,000 and 14,000,000 shares		(7)		(7)
Accumulated other comprehensive loss		(219)		(174)
Notes receivable from affiliate		(387)		(387)
Total Stockholders' equity		1,250		1,619
Totals liabilities and stockholders' equity	$	12,590	$	11,263

The accompanying notes are an integral part of these condensed consolidated financial statements

United Communications Partners Inc. and Subsidiaries
Condensed Consolidated Statements of Operations
(Unaudited)
(In thousands of USD, except for per share amounts)

	For the three months ended March 31,	
	2012	2011
Net revenues	$ 2,813	$ 3,817
Cost of revenues	(1,400)	(3,037)
Gross Profit	1,413	780
Selling, general and administrative expenses	(1,681)	(1,158)
Depreciation and amortization	(60)	(55)
Loss from continued operations	(328)	(433)
Other income (expense), net:		
Income from equity investment in InSight AS	10	12
Loss from equity investment in CCCP AS	(5)	-
Gain from change in fair value of derivative liabilities	78	96
Gain from change in fair value of contingent consideration	-	2
Interest expense	(104)	(71)
Total other income (expense), net	(21)	39
Loss before income taxes and non controlling interest	(349)	(394)
Net profit attributable to non controlling interest	(19)	-
Loss available to common shareholders	$ (368)	$ (364)
Loss per share – Basic and diluted:		
Continuing operations	$ (-)	$ (-)
Discontinued operations	(-)	(-)
Net loss	$ (-)	$ (-)
Weighted-average shares outstanding:		
Basic and diluted	1,600,482,854	450,119,736

The accompanying notes are an integral part of these condensed consolidated financial statements

United Communications Partners Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows (Unaudited)
(In thousands of USD)

	3 Months Ended March 31, 2012	3 Months Ended March 31, 2011
Cash flows from operating activities:		
Net loss	$ (368)	$ (394)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	19	14
Amortization of intangible assets	41	41
Amortization of debt discount	24	12
Amortization of deferred financing costs	1	1
Gain from change in fair value of derivative liabilities	(78)	(96)
Gain on change in fair value of contingent consideration	-	(2)
Stock based compensation	23	59
Income from equity investment	(5)	(12)
Non-Controlling interest	22	-
Changes in operating assets and liabilities:		
Accounts receivable	(896)	(2,501)
Cost and estimated earnings in excess of billings on projects	42	(327)
Administrative deposit held by related party	-	(21)
Prepaid expenses and other current assets	238	(96)
Accounts payable	1,790	2,325
Accrued liabilities	(132)	617
Billings in excess of costs and estimated earnings	111	72
Operating activities from discontinued operations	-	-
Net cash used in operating activities	832	(308)
Cash flows from investing activities:		
Purchase of equipment	(14)	(31)
Investing activities in discontinued operations	-	-
Net cash used in investing activities	(14)	(31)
Cash flows from financing activities:		
Repayment of debts	(242)	-
Net repayments from borrowings from related party	(30)	(32)
Proceeds from issuance of common stock, net of issuance costs	-	79
Financing activities from discontinued operations	-	-
Net cash provided by financing activities	(272)	47
Effect of exchange rates on cash from continued operations	41	105
Effect of exchange rates on cash from discontinued operations	-	-
Net increase (decrease) in cash	587	(187)
Cash at beginning of period	734	395
Cash at end of period	$ 1,321	$ 208
Supplemental information:		
Cash paid for interest	$ 33	$ 9
Non-cash investing and financing activities:		
Note payable converted into common shares	$ 22	$ 66

The accompanying notes are an integral part of these condensed consolidated financial statements

UNITED COMMUNICATIONS PARTNERS INC
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Organization and Nature of Business

United Communications Partners Inc. (formerly known as Bark Group Inc), ("UCP" or the "Company"), is a holding company that currently conducts its operations through its wholly owned subsidiary Tre Kronor Media AB, ("TKM" or "Tre Kronor") which was acquired on May 4, 2010 and Abrego Spain SL, which was established in November 2010.

InSight AS

Effective January 1, 2011 TKM acquired a non-controlling 30% interest in InSight AS (a Norwegian media company) pursuant to an agreement dated June 2, 2010 between Insight and TKM.

InSight AS is a Norwegian based media agency established in 2009. During 2010 and effective from January 1, 2011, InSight AS expanded its business significantly after signing a contract with one of the largest retailers in Norway regarding media strategy, counseling, media purchases and campaign execution. Effective January 1, 2011 Tre Kronor acquired a 30% non-controlling interest in InSight AS for cash consideration of Swedish Kronor (SEK) 4,756,550 ($701,000) which was paid on October 31, 2010. Subsequent to TKM's acquisition of the non-controlling interest our CEO Mr. Niclas Fröberg was appointed director in the board of InSight A/S.

CCCP Media AB

During September 2011, TKM formed a partnership with two unrelated individuals by establishing the Swedish company CCCP Media AB for a combined capital in CCCP AB of SEK 100,000 ($14,583) in which TKM holds a non-controlling interest of 33.3% which is equivalent to SEK 33,333 ($4,861).

Nyheter 365 AB (formerly Atna World AB)

On December 23, 2011 TKM acquired all issued and outstanding shares in the Swedish advertising company Nyheter 365 AB (formerly Atna World AB) ("Nyheter 365") effectively January 1, 2011. Subsequent to the acquisition the name of the company was changed to Nyheter 365 AB.

Nyheter 365 was a Swedish advertising agency, established in 2010, with 6 employees and a small portfolio of clients. Since established, Nyheter 365 conducted its business from the premises of TKM. Effective January 1, 2011 TKM employed all former employees of Nyheter 365. During 2011 activities in Nyheter 365 were not material

As consideration for the acquired shares, the former shareholders of Nyheter 365 received a total of 10,000,000 shares of common stock in UCP. Such shares were transferred free of charge from an affiliate to UCP. (See Note 5)

As at January 1, 2012, the CEO of Nyheter 365 received 20% of the issued and outstanding shares in Nyheter 365, as part of his remuneration package.

Business

United Communications Partners and its subsidiaries (collectively, the "Company") offer its customers a network of advertising and media services. The Company's strategy is to acquire mid-size or make equity investments in well established businesses throughout Europe in order to form a European network of advertising and media agencies.

Going Concern

The accompanying unaudited condensed consolidated financial statements have been prepared assuming that the Company will continue as a going concern.

During the three months ended March 31, 2012 and 2011 the Company incurred net losses of $368,000 and $394,000 respectively. The Company continues to operate with a working capital deficiency (approximately $3,524,000 at March 31, 2012) and has limited financial resources available to pay ongoing financial obligations as they become due.

The Company's operations generated $832,000 during the three months ended March 31, 2012 as compared to a use of cash from operations of $308,000 during the three months ended March 31, 2011.

The Company's current source of funding, in addition to cash on hand is any cash derived from operations and an operating line of credit of approximately $755,000. The Company plans to use its operating line of credit to finance a portion of its operations over the next twelve months. However, the Company will require additional financing to conduct its business in accordance with its plan of operations on a long term basis.

The Company's acquisition strategy is based primarily on share-for-share agreements with limited cash requirements which mean that the need for additional financing in order to expand the business is limited on a short term basis.

These conditions raise substantial doubt about the Company's ability to continue as a going concern. Accordingly, the accompanying condensed consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which contemplates continuation of the Company as a going concern and the realization of assets and the satisfaction of liabilities in the normal course of business. The carrying amounts of assets and liabilities presented in the condensed consolidated financial statements do not necessarily purport to represent realizable or settlement values. These unaudited condensed consolidated financial statements do not include any adjustment that might result from the outcome of this uncertainty.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation

The unaudited condensed consolidated financial statements as of March 31, 2012 and 2011 include the accounts of UCP and its wholly-owned subsidiaries as described in Note 1. All intercompany transactions and balances have been eliminated in the consolidated financial information provided.

These unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and related notes thereto included in the Company's Annual Report for the year ended December 31, 2011. The Company's accounting policies are described in the Notes to consolidated Financial Statements in its Annual Report for the year ended December 31, 2011, and updated, as necessary, in this Quarterly Report.

Use of Estimates

The preparation of condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of income and expenses during the reported period. The Company evaluates all of its estimates on an on-going basis.

Significant estimates and assumptions include the valuation of acquired assets including goodwill, the useful lives of assets, revenue recognition, income tax valuation, stock valuation, debt discounts on notes payable, other intangible assets and bad debts. It is at least reasonably possible that the estimate of the effect on the financial statements of a condition, situation or set of circumstances that existed at the date of the consolidated financial statements, which management considered in formulating its estimate could change in the near term due to one or more future confirming events. Accordingly, actual results could differ in the near term from these estimates, and such differences could be material.

Revenue recognition

Most of the Company's client contracts are individually negotiated and accordingly, the terms of client engagements and the bases on which the Company earns commissions and fees vary significantly. Direct costs include fees paid to external suppliers where they are retained to perform part or all of a specific project for a client and the resulting expenditure is directly attributable to the revenue earned. Revenue is stated exclusive of VAT (value added tax), sales taxes and trade discounts.

The Company's revenue is typically derived from commissions on media placements and fees for advertising services. Revenue may consist of various arrangements involving fixed fees, commissions, or incentive-based revenue, as agreed upon with each client.

The Company earns commissions from referrals of services to other vendors, marketing agencies, who ultimately provide the end service to the customer. Commissions are generally earned on the date of broadcast or publication.

Revenue for the Company's fixed-fee contracts is recognized when all of the following criteria are satisfied: (i) persuasive evidence of an arrangement exists; (ii) the price is fixed or determinable; (iii) collectability is reasonably assured; and (iv) services have been performed. Depending on the terms of a client contract, fees for services performed can be recognized in two principal ways: proportional performance or completed contract.

- Fixed-fee contracts are generally recognized as earned based on the proportional performance method of revenue recognition. In assessing contract performance, both input and output criteria reviewed. Costs incurred are used as an objective input measure of performance. The primary input of all work performed under these arrangements is labor. As a result of the relationship between labor and cost, there is normally a direct relationship between costs incurred and the proportion of the contract performed to date. Costs incurred as a proportion of expected total costs is used as an initial proportional performance measure. This indicative proportional performance measure is always subsequently validated against other more subjective criteria (i.e. relevant output measures) such as the percentage of interviews completed, percentage of reports delivered to a client and the achievement of any project milestones stipulated in the contract. In the event of divergence between the objective and more subjective measures, the more subjective measures take precedence since these are output measures.
- Certain fees (such as for marketing services related to rebates offered by clients to their external customers) are deferred until contract completion as the final act is so significant in relation to the service transaction taken as a whole. Fees are also recognized on a completed contract basis if any of the criteria of the Financial Accounting Standards Board (FASB), Accounting Standard Codification (ASC) 605-10-S99, *Revenue Recognition,* were not satisfied prior to job completion or if the terms of the contract do not otherwise qualify for proportional performance.

Incentive-based revenue typically comprises quantitative criteria. Revenue is recognized when the quantitative targets have been achieved.

In compliance with FASB ASC 605-45 *Principal Agent Considerations*, Reporting Revenue Gross as a Principal versus Net as an Agent , the Company assess whether its agency or the third-party supplier is the primary obligor. The Company evaluate the terms of its client agreements as part of this assessment. In addition, the Company gives appropriate consideration to other key indicators such as latitude in establishing price, discretion in supplier selection and credit risk to the vendor. For a substantial portion of its client contracts the Company acts as principal as the Company are the primary obligor and bear credit risk related to the services it provide. In these contracts the Company record revenues and costs of revenues gross. In certain contracts the Company records a net amount principally on those contracts where the Company only earn a commission.

Derivative Financial Instruments

The Company does not use derivative instruments to hedge exposures to cash flow, market or foreign currency risks. The Company evaluates all of its financial instruments to determine if such instruments are derivatives or contain features that qualify as embedded derivatives. For derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at its fair value and is then re-valued at each reporting date, with changes in the fair value reported in the consolidated statement of operations. For stock-based derivative financial instruments, the Company uses the Black-Scholes option pricing model to value the derivative instruments at inception and on subsequent valuation dates, which approximates the fair value measured using Binomial Lattice Model. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is evaluated at the end of each reporting period.

Foreign Currency

The Company has determined Swedish Kronor as the functional currency of its foreign operations. Accordingly, these foreign subsidiaries income and expenses are translated into U.S. dollars, the reporting currency of the Company, at the average rates of exchange prevailing during the year. The assets and liabilities are translated into U.S. dollars at the rates of exchange on the balance sheet date and the related translation adjustments are included in accumulated other comprehensive income (loss). During the three months ended March 31, 2012 and 2011 transaction gains and losses were not material.

During the three months ended March 31, 2012 and 20111 the related translation adjustment which was included in other comprehensive income (loss) was as follows:

	2012	**2011**
Net (loss) available to common stockholders	$ (368,000)	$(394,000)
Translation adjustment	$ (46,000)	$ (47,000)
Comprehensive loss	$ (414,000)	$(441,000)

Loss per Share

Basic net loss per share has been calculated by dividing net loss by the weighted average number of common shares outstanding during the period. UCP had securities outstanding which could potentially dilute basic earnings per share in the future, but the incremental shares from the assumed exercise of these securities were excluded in the computation of diluted net loss per share, as their effect would have been anti-dilutive. Potential shares of common stock aggregating 0 (nil) and 21,738,117 are issuable upon conversion of debts for the three months ended March 31, 2012 and 2011, respectively.

Impairment of Long-Lived Assets

The Company annually, or whenever events or changes in circumstances indicate that the carrying amounts of such assets may not be recoverable, assesses the carrying value of long-lived assets in accordance with Financial Accounting Standards Board ("FASB") issued ASC 360-10. The Company evaluates the recoverability of long-lived assets not held for sale by measuring the carrying amount of the assets against the estimated undiscounted future cash flows associated with them. If such evaluations indicate that the future discounted cash flows of certain long-lived assets are not sufficient to recover the carrying value of such assets, the assets are adjusted to their estimated fair values.

Goodwill and Intangible assets – Finite lives

The Company accounts for its acquisitions utilizing the purchase method of accounting. Under the purchase method of accounting, the total consideration paid is allocated to the underlying assets and liabilities, based on their respective estimated fair values. The excess of purchase price over the estimated fair values of the net assets acquired is recorded as goodwill. Determining the fair value of certain acquired assets and liabilities, identifiable intangible assets in particular, is subjective in nature and often involves the use of significant estimates assumptions. Finite-lived identifiable intangible assets are amortized over its expected life on a straight-line basis, as this basis approximates the expected cash flows from the Company's existing finite-lived identifiable intangible assets over the expected future.

UCP acquired all the shares of TKM on May 4, 2010. The acquisition was completed pursuant to a share transfer agreement entered into between UCP and the shareholders of TKM. The Company recorded goodwill in connection with the excess cost over fair value of the net assets acquired.

Goodwill is accounted for under FASB ASC 350, the goodwill is tested for impairment on an annual basis or whenever facts or circumstances indicate that the carrying amounts may not be recoverable. The Company elected to conduct its impairment tests in March. The Company's reporting unit is tested individually for impairment by comparing the fair value of the reporting unit with the carrying value of that unit. Fair value is determined based on a valuation study performed by the Company using the discounted cash flow method and the estimated market values of the reporting units. There was no impairment of goodwill during the three months ended March 31, 2012.

Equity investments

Investments in business entities in which the Company lacks a controlling financial interest but does have the ability to exercise significant influence over operating and financial policies are accounted for using the equity method. The Company's proportionate share of net income or loss of such entity is recorded in "Income from equity investment" and "Loss from equity investment" included in "Other income (expense), net" on the Condensed Consolidated Statements of Operations.

Subsequent Events

The Company evaluated subsequent events through the date the financial statements were issued.

Recent Accounting Pronouncements

There were various other updates recently issued, most of which represented technical corrections to accounting literature or application to specific industries and are not expected to have a material impact on the Company's condensed consolidated financial position, results of operations or cash flows.

Note 3 – Acquisition of Nyheter 365 AB

On December 23, 2011, TKM completed the acquisition of all of the issued and outstanding shares of Nyheter 365, a Swedish advertising company.

The Company has determined that the acquisition of Nyheter 365 was a business combination to be accounted for under the acquisition method. The following table summarizes the consideration transferred and the amounts (dollars in thousands) of identified assets acquired and liabilities assumed at the acquisition date (dollars in thousands.):

Fair value of consideration transferred:		
Stock transfer on the date of acquisition	$	9
		9
Recognized amounts of identifiable assets and liabilities acquired at fair value:		
Cash		29
Accounts receivable		409
Work in progress		-
Equipment and deposits		15
Prepaid expenses		25
Account payable		(168)
Accrued expenses and other liabilities		(310)
Total identifiable net assets		-
Total purchase value	$	9

The Company recognized the total purchase as summarized in the following table (dollars in thousands.):

Goodwill (100% deductible for tax purpose)	$	9
Equity, transfer of common shares from affiliate as consideration		(9)

The former shareholders of Nyheter 365 received a total of 10,000,000 shares of common stock in UCP. Such shares were transferred free of charge from an affiliate to UCP.

During the year 2011, Nyheter 365 had immaterial operating activities.

The results of operations of Nyheter 365 have been included in the consolidated statements of operations since January 1, 2011. On January 1, 2012, the CEO of Nyheter 365 received 20% of the issued and outstanding shares in Nyheter 365 as part of his remuneration package. The value of the shares SEK 20,000 ($3,021) was expensed as a component of selling, general and administrative expenses for the three months ended March 31, 2012.

Note 4 – Equity Method Investments

InSight AS -On October 31, 2010, TKM advanced SEK 4,756,550 approximately ($701,000) to acquire a 30% non-controlling financial interest in the Norwegian media company InSight AS, effective January 1, 2011.

The following table represents a summary of the changes in the value of the equity investment in InSight AS (dollars in thousands.)

	March 31, 2012		December 31, 2011	
Beginning balance	$	803	$	-
Acquired		-		701
30% of profit		10		123
Currency adjustment		36		(21)
Ending balance	$	849	$	803

CCCP Media AB - During September 2011, TKM formed a partnership with two unrelated individuals by establishing the Swedish company CCCP Media AB for a combined capital in CCCP AB of SEK 100,000 ($14,583) in which TKM holds a non-controlling interest of 33.3% which is equivalent to SEK 33,333 ($4,861). The investment in CCCP AB is recorded as part of equity method investment in accompanying balance sheet.

The following table represents a summary of the changes in the value of the equity investment in CCCP AB (dollars in thousands.)

	March 31, 2012		December 31, 2011	
Beginning balance	$	(15)	$	-
Acquired		-		5
33,3% of loss		(5)		(21)
Currency adjustment		-		1
Ending balance	$	(20)	$	(15)

Note 5 - Other intangible assets

In accordance with ASC 805, Business Combinations, the Company has identified and recognized trade name and customer relationships in Tre Kronor as intangible assets. Based on a discounted cash flow model the fair value of the intangible assets was determined to be $610,000 and $220,000 respectively, both having a useful life of 5 years. For the three months ended March 31, 2012, and 2011 intangible assets were amortized by $41,500. At March 31, 2012, and 2011 the net carrying amount of intangible assets related to the acquisition of Tre Kronor was $520,466 and $686,466 respectively.

The following table set forts the future amortization of intangible assets (dollars in thousands):

2012: (April-December)	$ 125
2013:	$ 166
2014:	$ 166
2015 (January – May):	$ 63

Note 6 - Concentration of credit risk

Credit risk represents the loss that would be recognized if counterparties failed to completely perform as contracted.

During the three months ended March 31, 2012 customer AB and AH accounted for approximately 62% and 19% of revenue, respectively. During the three months ended March 31, 2011 customer AB and AE accounted for approximately 43% and 12% of revenue, respectively. No other customers individually represented more than 10% of revenue for any period presented.

As of March 31, 2012 customers AF, AG and AB accounted for approximately 39%, 16% and 13% of the Company's accounts receivables, respectively. As of March 31, 2011 customers AF, AG and AB accounted for approximately 42%, 13% and 10% of the Company's accounts receivables, respectively. No other customers individually represented more than 10% of accounts receivables at the end of any period presented.

The Company's loss of these or other customers, or any decrease in sales to these or other customers, could have a material adverse effect on the Company's business, financial condition or results of operations.

The Company monitors its exposure to customers to minimize potential credit losses.

The Company maintains cash and cash equivalent balances at several financial institutions throughout its operating area, and at times, may exceed insurance limits and expose the Company to credit risk. As part of its cash management process, the Company periodically reviews the relative credit standing of these financial institutions.

The Company's cash balances are maintained at financial institutions located in the United States of America, Sweden and Spain.

Note 7 – Non-controlling interests

For consolidated majority-owned subsidiaries in which the Company owns less than 100% of the total outstanding shares, the Company recognizes a non-controlling interest for the ownership interest of the minority holders.

On January 1, 2012 the CEO of Nyheter 365 received 20% of the issued and outstanding shares in Nyheter 365 as part of his remuneration package.

The change in carrying amount of Non-Controlling interest is as follows (dollars in thousands):

	As of March 31, 2012
Balance at beginning of period	$ -
20% shares in Nyheter 365, transferred at par value	3
Nyheter 365, profit attributable to Non-Controlling interest	19
Currency adjustment	1
Balance at end of period	$ 23

Note 8 - Derivative Liabilities

In June 2008, the FASB finalized ASC 815, "Determining Whether an Instrument (or Embedded Feature) is indexed to an Entity's Own Stock." Under ASC 815, instruments which do not have fixed settlement provisions are deemed to be derivative instruments. The Company has determined that it needs to account for certain convertible debentures (see Note 11) issued during the second quarter 2010, as derivative liabilities, and apply the provisions of ASC 815. The instruments include a ratchet provision that adjust either the exercise price and/or the quantity of the shares since the conversion price is equal to 55% - 65% of the "market price" as determined at the time of conversion.

In accordance with ASC 815, the fair value of the conversion options of these convertible debentures, have been re-characterized as derivative liabilities. ASC 815, "Accounting for Derivative Instruments and Hedging Activities" ("ASC 815") requires that the fair value of these liabilities be re-measured at the end of every reporting period with the change in fair value reported in the consolidated statement of operations.

Convertible Debentures obtained 2011

The fair value of the derivative liabilities related to convertible debentures obtained in 2011 was measured using the Black-Scholes option pricing model, which approximates the fair value measured using Binomial Lattice Model, and the following assumptions (dollars in thousands):

	March 31, 2012	December 31, 2011	Date of issuance
$40,000 Debenture issued May 6, 2011:			
Discount Rate – Bond Equivalent Yield	-%	0.01%	0.18%
Annual rate of dividends	-	-	-
Volatility	-%	478%	250%
Weighted Average life (months)	-	1	9
$40,000 Debenture issued August 4, 2011:			
Discount Rate – Bond Equivalent Yield	-%	0.02%	0.12%
Annual rate of dividends	-	-	-
Volatility	-%	386%	249%
Weighted Average life (months)	-	3	9
Fair value	$ -	$ 78	$ 115

The discount rate was based on rates established by the Federal Reserve. The Company based expected volatility on the historical volatility for its common stock. The expected life of the debentures was based on their full term. The expected dividend yield was based upon the fact that the Company has not historically paid dividends, and does not expect to pay dividends in the future.

On the date of issuance the derivative liabilities associated with the debentures was $114,733. At December 31, 2011, the derivative liability associated with the debenture was revalued to $77,773. In January 2012 the debentures were converted into shares of common stock, respectively fully repaid in cash (see note 10). The decrease in the derivative liability during the three months ended March 31, 2012, is included as a gain on change in fair value of derivative liabilities in the Company's consolidated statement of operations for the three months ended March 31, 2012, with $77,773.

Note 9 - Fair Value Measurement

Valuation Hierarchy

ASC 820 establishes a valuation hierarchy for disclosure of the inputs to valuation used to measure fair value. This hierarchy prioritizes the inputs into three broad levels as follows. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument. Level 3 inputs are unobservable inputs based on the Company's own assumptions used to measure assets and liabilities at fair value. A financial asset or liability's classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement.

The following table represents the assets and liabilities carried at fair value (dollars in thousands) measured on a recurring and non-recurring basis as of March 31, 2012:

		Fair Value Measurements at March 31, 2012		
	Total Carrying Value at March 31, 2012	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Contingent Consideration	$ 2	$ -	$ -	$ 2
Goodwill	$ 3,710	$ -	$ -	$ 3,710

The contingent consideration is measured at fair value using quoted market prices of Company's shares of common stock.

Goodwill is measured at fair value on a non-recurring basis using discounted cash flows and is classified within level 3 of the value hierarchy.

The following table represents a summary of the changes in the fair value of the Company's Level 3 financial liabilities that are measured at fair value on a recurring basis (dollars in thousands):

		March 31, 2012	December 31, 2011
Beginning balance – Derivative liabilities	$	78	185
Derivative liabilities recorded		-	115
Reclassified to equity		-	(89)
Net unrealized loss (gain) on change in fair value of derivative liabilities		(78)	(133)
Ending balance – Derivative liabilities	$	-	78

		March 31, 2012		December 31, 2011
Beginning balance – Contingent consideration	$	2	$	30
Recorded contingent consideration		-		-
Net unrealized gain on change in fair value of contingent consideration		-		(28)
Ending balance – Contingent consideration	$	2	$	2

The following table represents a summary of the changes in the fair value of goodwill that is measured at fair value on a non-recurring basis (dollars in thousands.)

	March 31, 2012	December 31, 2011
Beginning balance	$ 3,710	$ 3,710
Acquired	-	9
Impaired	-	(9)
Currency adjustment	-	-
Ending balance	$ 3,710	$ 3,710

During the year ended December 31, 2011, the Company had impaired the goodwill related to the acquisition of Nyheter 365.

Note 10 – Notes payable

Notes payable consist of the following (dollars in thousands):

Loan reference	Maturity Date	As of March 31, 2012	As of December 31, 2011
Private investor (A)	2010	$ 5	$ 22
Private investor (B)	2011	194	236
Private investor (C)	2010	119	221
Private investor (D)	2012	-	37
Private investor (E)	2012	-	23
Promissory notes	January 2009	37	36
Total		355	575
Less: Current portion		327	504
Long-term portion of debt		$ 28	$ 69

The Company obtained a short term loan from a private investor in the amount of DKK 1,000,000 ($179,953) on March 4, 2010, in order to fund working capital until additional capital could be raised. The loan matured on June 30, 2010, together with accrued interest of DKK 200,000 ($37,970). On June 25, 2010, and on September 23, 2010, the loan, which was not called on its maturity date, was partially paid in cash of $184,975 and $10,700 respectively. During the first quarter in 2012 the loan was partially paid in cash of $16,686. As at March 31, 2012 the amount outstanding including accrued interest was $5,562 (see A above)

On March 15, 2010 the Company obtained a loan from a private investor of $250,000. The loan bears an interest of 6% per annum and is due one year from date of issue. If the Company choose not to repay the loan in cash the holder of the note is entitled to convert the note into shares of common stock at a price equal to 85% of the market price of the Company's common stock at the time of conversion. On December 7, 2011, the Company agreed with the investor to repay the principal amount of $250,000 in 18 monthly installments of $13,889 beginning December 12, 2011. The investor agreed to disregard all interest payments provided that monthly installments will be made timely. During the first quarter of 2012 the loan was partially paid in cash of $41,667. As at March 31, 2012, the outstanding balance was $194,444. (See B above).

On June 25, 2010, The Company obtained a short term loan from a private investor in the amount of DKK 1,000,000 ($165,166) in order to fund working capital until additional capital could be raised. The loan matured on September 30, 2010, together with accrued interest of DKK 250,000 ($41,292). The loan agreement includes an option to convert the loan including interest into shares of common stock at a price of $0.06. As at December 31, 2010, the amount outstanding including accrued interest was $246,749. On August 10, 2011 the Company agreed with the investor to pay an additional interest of DKK 100,000 ($16,436). On December 13, 2011, the Company agreed to repay the loan in seven installments whereas installment number one of DKK 250,000 ($42,500) was paid December 16, 2011. The remaining six installments, each of DKK 200,000, will be paid monthly beginning January the 10th 2012. During the first quarter of 2012 the loan was partially paid in cash of $102,000. As at March 31, 2012, the outstanding balance including accrued interest was $118,694. (See C above)

On May 6, 2011 the Company obtained a Convertible Debenture totaling $40,000. The note bears interest at a rate of 8% per annum and is due nine months from date of issuance. The Note is convertible into shares of common stock of the Company at a conversion price equal to 65% of the "market price" at the time of conversion, which "market price" will be calculated as the average of the three lowest "trading prices" for the Company's common stock during the ten day trading period prior to the date the conversion note is sent to the Company. Based on the Black – Scholes model the Company calculated a call option value of $0.0048 resulting in a deferred debt discount of $62,572 per date of issuance. Per date of issuance the Company recorded $22,572 of the deferred debt discount as interest expense. The remaining deferred debt discount of $40,000 will be recorded as interest expenses ratably over the loans maturity. For the year ended December 31, 2011, the Company expensed a total of $57,239 of the deferred debt discount. As of December 31, 2011, the amount outstanding including accrued interest, net of deferred discount was $36,747 (See D above). On

January 3, 2012 and January 17, 2012, the lender converted a total of $22,000 into 91,582,492 shares of common stock. On January 18, 2012, the remaining balance of the loan was repaid in cash of $30,845. In conjunction with the settlement of the note the Company expensed deferred debt discount of $5,333.

On August 4, 2011 the Company obtained a Convertible Debenture totaling $40,000. The note bears interest at a rate of 8% per annum and is due nine months from date of issuance. The Note is convertible into shares of common stock of the Company at a conversion price equal to 65% of the "market price" at the time of conversion, which "market price" will be calculated as the average of the three lowest "trading prices" for the Company's common stock during the ten day trading period prior to the date the conversion note is sent to the Company. Based on the Black – Scholes model the Company calculated a call option value of $0.0031 resulting in a deferred debt discount of $52,160 per date of issuance. Per date of issuance the Company recorded $12,160 of the deferred debt discount as interest expense. The remaining deferred debt discount of $40,000 will be recorded as interest expenses ratably over the loans maturity. For the year ended December 31, 2011, the Company expensed a total of $33,642 of the deferred debt discount. As of December 31, 2011, the amount outstanding including accrued interest, net of deferred discount was $22,770 (See E above). On January 18, 2012, the remaining balance of the loan was repaid in cash of $68,545. In conjunction with the settlement of the note the Company expensed deferred debt discount of $18,519.

Note 11 – Line of Credit

The Company has a floating rate line of credit facility with Nordea Bank in the amount of $755,000. As of March 31, 2012, the amount outstanding, under this line of credit facility, was $-(nil). The rate of interest payable under the line of credit facility is presently 6.95 % per annum.

Note 12 – Equity Capital

During the three months ended March 31, 2012, the Company issued 91,582,492 shares of common stock for the conversion of certain notes aggregating $22,000 (Note 10).

Note 13 – Stock based compensation

In the first quarter of 2011 and during the years 2010 and 2009 the company issued 258,000, 1,250,000 and 3,000,000 shares of common stock respectively to eight consultants for services rendered during the periods from 2009 through 2012. The total market value of the shares, on the date of signing the agreements, was $653,740. For the three months ended March 31, 2012 and 2011 the Company expensed $23,021 and $58,821 respectively as selling, general and administrative expenses. The Company will record compensation expense ratably over the remaining period.

As of March 31, 2012, there was no unrecognized compensation costs related to the issuance.

Note 14 - Related party transactions

Fee to former Chairman and Secretary of the Board

In November 2011 the Company recognized that former chairman, was entitled to receive a fee for services rendered during 2008, 2009 and 2010 at a total amount of $188,346 which was classified as a component of selling, general and administrative expenses in the year ended December 31, 2011. At March 31, 2012, and December 31, 2011, former chairman has a receivable of $ 139,934 and $169,571 respectively which has been classified in advances from related parties.

Former Chairman of the Board

During the year ended December 31, 2010, former chairman of the Board made payments of $24,034 to creditors on behalf of the Company. Further he is entitled to have his travel and administrative expenses reimbursed. During the year ended December 31, 2011, former chairman's expenses amounted to $19,187 and was classified as a component of selling, general and administrative expenses. Former chairman's expenses were partly reimbursed during the third quarter of 2011. At March 31, 2012, and December 31, 2011 former chairman has a receivable of $9,145 which has been classified in advances from related parties.

President and Chairman of the Board, CEO of Tre Kronor

According to the Share Purchase Agreement with the former shareholders of Tre Kronor, the Company is committed to pay an aggregate amount of SEK 3,000,000 ($387,000) to the president and chairman of the Board against redemption of a portion of his shares. The Company has agreed to extend the redemption of the share portion to

December 31, 2013. During the year ended December 31, 2010 the Company advanced a payment of $387,000 to him. Such advance has been classified as a component of the Company's Stockholders Equity as Notes Receivable from Affiliate. During the three months ended March 31, 2012, the President and Chairman of the Board received a fee of $59,355 through a company controlled by the President and Chairman of the Board. The fee was classified as a component of selling, general and administrative expenses.

Note 15 – Subsequent events

Through the date the financial statements were issued, there were no significant subsequent events.

UNITED COMMUNICATIONS PARTNERS INC
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Certifications

We, Niclas Fröberg, Carl Johan Grandinson and Maria Liem, certify that:

1. We have reviewed this interim financial statement of United Communications Partners Inc.

2. Based on our knowledge, this disclosure statement does not contain any untrue statement of a material fact or ormit to state a material fact necessary to make the statement made, in light of circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement.

3. Based on our knowledge, the financial statements and other financial information included or incorporated by reference in this interim disclosure statement, fairly present in all material respects, the financial condition, results of operations and cash flows of the issuer as of and for, the periods presented in this disclosure statement.

Date: May 28, 2012.

UNITED COMMUNICATIONS PARTNERS INC.

/s/Niclas Fröberg

Niclas Fröberg

/s/ Carl Johan Grandinson

Carl Johan Grandinson

/s/ Maria Liem

Maria Liem